

DATE ISSUED: February 28, 2001

REPORT NO. 01-045

ATTENTION: Honorable Mayor and City Council

SUBJECT: Municipal Marketing Partnership Program

SUMMARY

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE CITY COUNCIL.

In August of 1998, the City began working on a strategic program to involve the corporate community in integrated marketing opportunities with the City. To aid the City in this endeavor, the City hired a consulting firm to develop a strategic marketing plan. On June 8, 1999, the City Council unanimously approved this plan, called the Municipal Marketing Partnership Program (MMPP). The main objectives of the MMPP are:

1. To establish and guide relationships with existing and potential business partners who share the City's commitment to provide the highest quality civic environment through the City of San Diego.
2. To generate revenue to fund existing and additional facilities, projects, programs and activities.
3. To minimize the perception that the City has become "corporatized" by limiting the number of corporate partners while maximizing the cumulative revenue from the partners.

Since the creation of the MMPP, the City has entered into two new marketing partnerships with Pepsi Bottling Group and Verizon Wireless. The first partnership, which was approved by City Council in November of 1999, gives Pepsi exclusive rights to provide cold drink vending machines at specified City facilities in return for cash and in-kind goods and services paid to the City with a value ranging from \$6,695,000 to \$23,599,000 depending on the number of vending machines placed during the twelve-year agreement. The second partnership, which was also approved by the City Council in November of 2000, provides Verizon Wireless with specific marketing benefits such as the designation "Official Wireless Partner of the City of San Diego," in return for an annual marketing rights fee of \$200,000 for the City.

On February 2, 2000, the City Council approved a Marketing Partnership Policy (Policy) to guide the development and implementation of the MMPP. A copy of the Policy is attached. The purpose of the Policy is to provide guidelines for developing and managing municipal marketing partnerships which ensure that all marketing partnerships support the City of San Diego's goals of service to the community and remain responsive to the public's needs and values.

According to the Policy, when staff seeks marketing partners through the MMPP it must develop

a Request for Sponsorship (RFS) document for each partnership opportunity valued at \$250,000 or greater and submit to City Council for approval. In cases where City-originated marketing partnerships are valued below \$250,000, staff should utilize an RFS if participation in the partnership opportunity is deemed to be competitive and issuance of an RFS would benefit the City. The RFS process is similar to the Request For Proposal process in that all eligible companies are encouraged to participate, and the process is conducted in an open and competitive manner.

Staff in the Corporate Sponsorships and Development Program and the City's consultant to the MMPP, The Pathfinder Group, have identified six business categories which make ideal candidates for additional marketing partnerships with the City based upon the competitiveness of the businesses and current sponsorship activities. The business categories which have been identified include Film and One-time Use Cameras, Credit Card, Automobile, Fuel, Airline, and Office Supplies. Staff will be researching marketing partnership opportunities in these industries and developing an RFS for each viable opportunity which develops.

It cannot be determined if the overall value of marketing partnerships in the aforementioned industries are valued above \$250,000, or if there is interest within the industries for a marketing partnership with the City. Therefore, City Council approval is not required at this stage in the process. However, if the City develops a marketing partnership with any company as a result of the RFS process, a formal marketing partnership agreement will be developed and presented to City Council for approval.

Respectfully submitted,

BRUCE A. HERRING
Deputy City Manager

MARY L. BRAUNWARTH
Director of Development

Note: The attachment is not available in electronic format. A copy is available for review in the Office of the City Clerk.

Attachment: Marketing Partnership Policy